6. 7

CLASSIFICATION

CONFIDENTIAL CONFIDENTIAL

CENTRAL INTELLIGENCE AGENCY

REPORT

50X1-HUM

INFORMATION FROM FOREIGN DOCUMENTS OR RADIO BROADCASTS

CD NO.

COUNTRY

Hun(ry

DATE OF

SUBJECT

Economic - Agriculture

INFORMATION 1951 .

HOW **PUBLISHED**

Monthly periodical

DATE DIST. 23 Jun 1951

WHERE

PUBLISHED

NO. OF PAGES

DATE

PUBLISHED

Feb 1951

Budapest

SUPPLEMENT TO

LANGUAGE

Hungarian

REPORT NO.

THIS IS UNEVALUATED INFORMATION

SOURCE

Tarsadalmi Szemle.

MIDDLE PEASANTRY DEVELOPING INTO KULAK CLASS IN HUNGARY

Peter Kovacs

The raw-material shortage in Hungarian industry and the increasing labor shortage can be traced directly to the fact that the national economy is based on socialized industry on the one hand and backward agriculture of low productivity on the other. The system of small holdings does not satisfy industry's demands for raw materials and the working people's demands for consumers' goods. In addition, the system uses the labor of hundreds of thousands of workers unproductively. Only mechanized, large-scale socialized agriculture is able to solve these problems. To strengthen socialism, this link in the chain has to be reinforced first.

Substantial results were accomplished when socialist agriculture was established. The network of machine stations was built up in 3 years. Today, there are 361 machine stations (the average is more than two per county) with 7,500 power machines. Last year, 19.4 percent of all land suitable for mechanized plowing was plowed by the machine stations.

The state farms have grown rapidly and have 15 times more arable land today than in 1948. Their livestock and mechanization have increased rapidly, and 30,000 permanent workers are employed on 362 state farms. They render increasing aid to the socialist reorganization of agriculture (by improved seeds, breeding of animals, etc.), although their full potential has not yet been utilized.

By the end of 1948, the cooperative movement took deep root. At present, 100,000 families are grouped in 2,500 cooperatives whose arable land totals 8 percent of the total arable land. The bulk of the work remains to be done. The state farms and cooperatives produced orly 8 percent of the chief crops which were collected by the state in 1950, and 93 percent of the peasants are still engaged in independent farming. Periodic functional disorders are

> CONFIDENTIAL CONFIDENTIAL CLASSIFICATION

STATE	 NAVY	X		DISTRIBUTION		1		 Ш
ARMY	AIR	X	FB1		<u> </u>	 	<u>_</u>	لــا

GUNFLUENTINE

CONFIDENTIAL

50X1-HUM

inevitable in a situation like this. The acceleration of the building of socialism in rural Hungary depends on the further strengthening of the worker-peasant alliance.

The backwardness of agricultural statistics (there are improvements this year) and the lack of systematic accounting in agriculture make it impossible to present an exact and all-embracing picture of rural social stratification. The January 1949 census and the February 1950 livestock count are sufficient, however, for estimates.

The land reform changed the previous state of affairs radically. More than 350,000 agrarian proletarians and 300,000 small holders received land. This can be seen clearly when the 1941 and 1949 censuses are compared. Almost every third wage earner (30.8 percent) was a landowner in 1949.

Another important result of the land reform is that the working peasantry became the most important factor in agriculture. More than 80 percent of the arable land was in their hands in 1949 as compared to the 40 percent in 1935.

_	No of	Farms		Area			
Size of Property (cadastral yokes)	<u>1935</u>	<u>1949</u>	Increase (%)	1935 (cada: yoke	_	Increase (%)	
1-5 5-10 10-20	484,430 198,645 160,339	561,209 385,655 203,026	15.8 94.1 26.6	1,225,009 1,433,510 2,266,451	1,746,310 2,969,544 2,800,715	42.6 10 7. 2 23.6	

The above table shows that the land reform primarily increased (at least doubled) the number of 5-10 cadastral-yoke farms, and the others were increased significantly at the same time.

The breakdown of farms of under 25 cadastral yokes, on the basis of 1949 data, is as follows:

Size of Property (cadastral yokes)	No of Farms	Percentage
0-1 1-8 8-25	66,662 660,001 325,094	6.3 62.8 30.9
Total	1,051,757	100.0

/A more realistic breakdown is obtained? If the number of vineyards is multiplied by five and if it is understood that a part of the farmers own land in addition to their farms. Then, the following adjustments have to be made in the breakdown:

Size of Property (cadastral yokes)	No of Farms	Percentage	
0-1 1-8 8-25	20,703 609,698 401,417	2.0 59.1 38.9	
Total	1,031,818	100.9	

- 2 -

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

The number of farms in the last table is smaller than in the previous table. The explanation is found in the fact that some 20,000 farms have become larger than 25 cadastral yokes.

It is certain that farms of over 8 cadastral yokes constitute mediumsized farms. This assumption is borne out by the fact that the average livestock holdings of medium-sized farms consist of 2.3 head of cattle, 4.2 hogs, 0.9 horses, and 0.9 sheep.

All farmers having under 8 cadastral yokes, but with two or more head of cattle, fall into the category of medium-sized farmers, because they also own hogs, sheep, and other livestock in proportion. Approximately 40 percent of the farmers who own only one head of cattle also own horses, in addition to hogs and poultry. These farms are able to expand systematically. Thus, 207,000 farms of under 8 cadastral yokes constitute medium-sized farms, while 21,000 farms may be classified as kulak farms because of large ownership of cattle, horses, and other livestock. Farms in the 8-25 cadastral-yoke category with 9 or more head of cattle, 2 head of cattle and 4 horses, 3-5 head of cattle and 3 or more horses, 5-8 head of cattle and 2 or more horses, or 8 head of cattle and several horses, belong in the kulak category. The distribution of farms of under 25 cadastral yokes presents the following picture, when examined from the viewpoint of stratification and not of area:

Size of Farm	No of Farms	Distribution (%)
Small farms	423,556	41.9
Medium-sized farms	587,278	58.1
Total	1,010,834	100.0

The above figures indicate that the majority of the working peasantry belong to the medium-sized farm group.

	Cattle	Hogs	Horses	Sheep
1945	77.0	39•5	51.0	124.0
1947	148.0	97•7	99.0	227.0
1950	159.0	161 . 8	101.0	328.0

Number of Kulaks and Other Businessmen

Total number of farmers who owned more than 25 cadastral yokes of land in the summer of 1949	63,300
Farms of under 25 cada cral yokes with large livestock holdings	21,000
Truck farmers within city limits	4,000
Owners of 2 cadastral yokes of green-pepper and red-onion gardens	500

- 3 -

CONFIDENTIAL

CONFIDENTIAL

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP80-00809A000600400052-9

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

Tractor and threshing-machine owners in the 5-cadastral-yoke group

3,000

Landowners also engaged in other occupations (innkeepers, butchers, millers, etc.)

8,200

Total

100,000

The above table is not exact, but very informative. Subsequently, the following changes have taken place.

	No of Farms	Area (cadastral yokes)
Summer 1949	63,300	2,260,000
Purchase of kulak holdings by end of 1950 Beginning of 1951	16,800 46,500	500,000 1,760,000

The arable land in the hands of kulaks amounts to approximately 1,230,000 cadastral yokes, or 12.9 percent of the country's total arable land.

of the 775,000 workers counted in the 1949 census, 374,000 were wage earners. By the end of 1950, 180,000 were employed by state farms, 45,000 landless workers were employed by cooperative farms, and 90,000 changed to industry. These figures show the changes in the condition of agricultural workers, but do not indicate the number of workers employed in the independent sector of agriculture. It may be estimated that kulaks employ about 40,000-50,000 workers.

The number of kulaks is gradually decreasing. In the last 3 years, they have lost 25 percent of their land. At the same time, kulak ranks are reinforced by the middle peasantry.

The number of middle peasants has grown. This sector of the peasantry has been introduced to a better kind of life. They dress better, eat better, and have put their land and houses into good shape. Their children attend secondary schools and even go to institutions of higher learning. The first thirst for a better life has been satisfied, and wants give rise to new wants. These peasants would like to have better entertainment and less physical labor. They would like to have better and more comfortable furniture, paved streets, and movies.

The medium-sized farm, which is not suitable for modern methods and machinery, cannot satisfy increased wants. The small farm, which was the peasant's basis for economic strength, hinders him today. Only a few peasants understand this at present. Today, they are afraid of cooperatives, but tomorrow they will realize that those who joined are ahead of them. They will see that while they and their families sweat on their small property, the work of the cooperatives is done by modern machinery.

- E N D -

- l; -

CONFIDENTIAL

CONFIDENTIAL